

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 SP-02

LAB-04 SIL-01 OMB-01 MMO-04 /071 W

-----117356 061901Z /50

R 061828Z SEP 77

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1187

DEPARTMENT TREASURY

INFO AMEMBASSY BRUSSELS

AMEMBASSY PARIS

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USEEC AND USOECD

DEPARTMENT PASS FEDERAL RESERVE

E.O. 11652 N/A

TAGS: EFIN, GW

SUBJECT: GERMAN BALANCE OF PAYMENTS IN JULY

REF: CERP 0102

1. TRANSMITTED HERewith ARE GERMAN BALANCE OF
PAYMENTS FIGURES FOR JULY 1977, AND, FOR COMPARISON,
FOR THE FIRST SEVEN MONTH OF 1977 AND 1976.

JULY JANUARY - JULY

1977 1977 1976

(IN MILLIONS OF DM)

EXPORTS F.O.B. 21,190 155,748 144,876

IMPORTS C.I.F. 19,425 135,621 126,071

TRADE BALANCE 1,765 20,127 18,805

SUPPLEMENTARY TRADE ITEMS 433 -112 74

TRADE BALANCE (INCLUDING

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SUPPLEMENTARY ITEMS) 2,198 20,015 18,879

SERVICES -1,650 -5,744 -3,772

UNILATERAL TRANSFERS -1,800 -10,125 -10,184

BALANCE OF INVISIBLES -3,450 -15,869 -13,956

CURRENT ACCOUNT BALANCE-1,252 4,146 4,923

LONG-TERM CAPITAL

DIRECT INVESTMENT -934 -2,167 -1,555

PORTFOLIO INVESTMENT	355	-2,460	1,222
CREDITS AND LOANS	47	-3,687	-1,650
OTHER	-29	-346	-341
OFFICIAL	-195	-240	2,317
BALANCE OF LONG-TERM			
CAPITAL	-756	-8,897	-7
SHORT-TERM CAPITAL			
COMMERCIAL BANKS	3,417	3,886	3,120
PRIVATE NON-BANKS	1,458	-128	-2,790
OFFICIAL	292	679	477
UNRECORDED TRANSACTIONS	-1,193	1,468	-536
BALANCE OF SHORT-TERM			
CAPITAL	3,974	5,905	271
NET FOREIGN POSITION OF			
BUNDESBANK	1,966	1,153	5,186

2. IN THE PERIOD JUNE-JULY, ON A SEASONALLY ADJUSTED BASIS, GERMAN EXPORTS WERE 2 PERCENT HIGHER AND IMPORTS ALMOST 6 PERCENT HIGHER THAN IN THE PERIOD APRIL-MAY.

3. THE INCREASE IN THE SERVICES DEFICIT (ALL FOLLOWING FIGURES ARE NON-SEASONALLY ADJUSTED) FROM DM 1.0 BILLION IN JUNE TO DM 1.7 BILLION IN JULY PRINCIPALLY REFLECTED A SEASONAL INCREASE IN GERMAN TOURIST EXPENDITURES ABROAD. THE INCREASE IN THE TRANSFERS DEFICIT FROM DM 1.3 BILLION IN JUNE TO DM 1.8 BILLION IN JULY WAS UNCLASSIFIED

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DUE PARTLY TO SEASONALLY HIGHER WAGE TRANSFERS OF FOREIGN LABORERS, AND PARTLY TO HIGHER GERMAN PAYMENTS TO THE EC.

4. NET LONG-TERM CAPITAL OUTFLOWS DECLINED CONSIDERABLY; FROM DM 2.2 BILLION IN JUNE TO DM 0.8 BILLION IN JULY. CREDITS GRANTED BY GERMAN BANKS TO FOREIGNERS FELL FROM DM 1.8 BILLION (NET) IN JUNE TO DM 0.6 BILLION (NET) IN JULY. MOREOVER, THE PORTFOLIO INVESTMENT ITEM WAS IN SURPLUS FOR THE FIRST TIME SINCE MARCH OF THIS YEAR.

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LAB-04 SIL-01 OMB-01 MMO-04 /071 W
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SALES AND PURCHASES OF FOREIGN SECURITIES BY GERMANS
WERE ROUGHLY IN BALANCE, COMPARED TO NET GERMAN PURCHASES OF DM 0.8 BILLION OF
PRINCIPALLY FOREIGN DM BONDS IN JUNE.
FOREIGNERS, ON THE OTHER HAND, INCREASED NET SALES OF
GERMAN SECURITIES, OF WHICH THE MAJORITY WERE GERMAN
BONDS.

5. THE SUBSTANTIAL INFLOW OF SHORT-TERM CAPITAL IN
JULY IS ATTRIBUTED BY THE BUNDESBANK TO THE "TURBULENCE"
PREVAILING ON FOREIGN EXCHANGE MARKETS IN JULY. GERMAN
BANKS REDUCED THEIR SHORT-TERM FOREIGN ASSETS BY DM 1.8
BILLION, AND, IN ADDITION, RECEIVED FOREIGN SHORT-TERM
FUNDS (NON-BANK FUNDS) OF DM 1.6 BILLION. GERMAN FIRMS
ALSO BORROWED SUBSTANTIAL AMOUNTS ABROAD (DM 1.5
BILLION, NET) ALTHOUGH, AS THE BUNDESBANK EMPHASIZED,
THE INTEREST DIFFERENTIAL BETWEEN GERMANY AND FOREIGN
FINANCIAL CENTERS REMAINED UNCHANGED.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE BALANCE, BALANCE OF PAYMENTS, CERP 0102
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BONN14553
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770322-0585
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770996/aaaaddgv.tel
Line Count: 153
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: de2a784d-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1383333
Secure: OPEN
Status: NATIVE
Subject: GERMAN BALANCE OF PAYMENTS IN JULY
TAGS: EFIN, ETRD, GE
To: STATE TRSY
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/de2a784d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009